UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JULIE WIEDIS 146 Griggs Drive Princeton, New Jersey 08540 and EQUITY TRUST COMPANY, CUSTODIAN FBO JULIE WIEDIS IRA 1 Equity Way Westlake, Ohio 44145 Plaintiffs, v. DREAMBUILDER INVESTMENTS, LLC 30 Wall Street New York, New York 10005 and PETER ANDREWS 1 West Street, Apt. 2436 New York, New York 10004 and GREG PALMER 172 Main Street Kingston, New Hampshire 03848	Civil Action No.: _______ — — — — **COMPLAINT**

and

ELIZABETH EISS
45 West 60th Street, Apt. 17a
New York, NY 10023-7943

Defendants.

Parties

1. Plaintiffs Julie Wiedis ("Wiedis" or "Plaintiff ') and Equity Trust Company, Custodian FBO Julie Wiedis Individual Retirement Account ("ETC") state the following complaint against Defendants Peter Andrews ("Andrews"), Greg Palmer ("Palmer"), Elizabeth Eiss ("Eiss") and Dreambuilder Investments, LLC (collectively, "Defendants").

2. Plaintiff Wiedis is an individual residing at 146 Griggs Drive, Princeton, New Jersey 08540.

3. Plaintiff ETC, located in Westland, Ohio, is the custodian of assets of an Individual Retirement Account ("IRA") owned by Wiedis.

4. Upon information and belief, Defendant Dreambuilder Investments, LLC ("DBI") is a limited liability company formed under the laws of the State of New York with its principal place of business located at 30 Wall Street, 6th Floor, New York, New York 10005.

5. Upon information and belief, Defendant Andrews is an individual residing at 1 West Street, Apartment 2436, New York, New York 10004 and is the Chief Executive Officer of DBI.

6. Upon information and belief, Defendant Palmer is an individual residing at 172 Main Street, Kingston, New Hampshire 03848, and is a Member of DBI.

7. Upon information and belief, Defendant Eiss is an individual residing at 45 West 60th Street, Apt. 17a, New York, NY 10023-7943, and was a Member and the Chief Operating Officer of DBI from 2007 to approximately 2012.

Jurisdiction and Venue

8. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 in as much as the matter involves a federal question of securities fraud. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and the governing promissory notes described more fully herein.

Facts Common to All Counts

9. Wiedis is an individual who began investing with DBI as early as 2006. DBI issued promissory notes to Wiedis in exchange for funds provided by Wiedis. The promissory notes provided by DBI provided for interest only payments during the lifetime of the promissory notes with repayment of the principal upon the promissory notes reaching maturity.

10. Instead of repaying the promissory notes upon maturity, DBI engaged in a practice of rolling over the notes and/or restructuring and reaffirming the debt by repeatedly issuing new promissory notes and ultimately attempting to extinguish the debt through a fraudulent equity conversion scheme.

The Initial $30,000 & $20,000 IRA Investments

11. On August 8, 2008, Wiedis invested $30,000 with DBI with funds withdrawn from her ETC IRA.

12. On or about November 1, 2008, Wiedis invested another $20,000 with DBI with funds withdrawn from her ETC IRA.

13. The funds invested by Wiedis with DBI were of particular importance to Wiedis because they were most of her retirement savings.

14. In exchange for each investment, DBI gave Wiedis a "Promissory Note and Security Agreement." (the $30,000 and the $20,000 Notes). Both the $30,000 and $20,000

Notes were signed by Defendant Andrews as DBI's President & CEO. True and correct copies of the $30,000 and $20,000 Notes are attached as Exhibit 1 and Exhibit 2.

15. The $30,000 Note had a 24-month maturity and promised annual interest of 14% with $350 monthly interest only payments. DBI represented that it would make full payment of interest and principal within 45 days of the Note's maturity, which made the $30,000 Note due and payable on September 16, 2010.

16. The $20,000 Note had a 24-month maturity and promised annual interest of 18% with $300 monthly interest only payments. DBI represented that it would make full payment of interest and principal within 45 days of the Note's maturity, which made the $20,000 Note due and payable on March 26, 2010.

17. DBI falsely and fraudulently made each investment appear to be safe and secure in the following ways, among others:

a) DBI represented that it would invest Wiedis' funds in a secured asset owned by DBI;

b) DBI promised to grant Wiedis a lien and security interest in "all right title and interest" that DBI had in a security – namely a note allegedly owned by DBI and collateralized by the mortgage on a piece of real estate. Copies of the mortgage notes that secured the investments were allegedly viewable on DBI's web portal;

c) DBI represented that in the event of default on the obligations of the Notes and DBI's failure to cure the default within 60 days, Wiedis could take possession of the collateral that secured the Notes, arrange for transfer of the collateral into her name, endorse, foreclose on, and receive and collect all property and money in connection with the collateral;

d) DBI promised to pay all costs and expenses in connection with the enforcement of the Notes including reasonable attorney's fees;

e) DBI also represented that "The liabilities and obligations of [DBI] shall be unconditional without regard to the liabilities and obligations of any other party and shall not be in any manner affected by any indulgence whatsoever granted or consented to by Payee, including any release of any party, guarantor or collateral, or any extension of time, renewal, waiver or other modification.

18. On information and belief, DBI never actually granted Wiedis any enforceable legal interest in mortgage notes that supposedly backed her investments.

19. On information and belief, DBI at no time, even after default, adequately set aside sufficient assets or reserves to pay the costs and expenses associated with Wiedis' enforcement and collection of the mortgage backed Notes after DBI's default and failure to perform.

The $50,000 IRA Investment

20. In May 2009, DBI combined Wiedis' two IRA investments into one $50,000 Promissory Note and Security Agreement (the $50,000 Note). This new combined investment had a start date of May 1, 2009, an interest rate of 18% and a term of 24 months. A true and correct copy of the $50,000 Note is attached as Exhibit 3.

21. In the $50,000 Note, Defendant Andrews and DBI agreed to make 24 interest only payments of $750 per month and to return Wiedis' principal at the end of the 24-month term. DBI represented that it would make full payment of interest and principal within 45 days of the Note's maturity, which made the Note due and payable on June 15, 2011.

22. The $50,000 Note stated that Wiedis would receive collateral designated by Defendant Andrews and DBI as security.

23. DBI falsely and fraudulently made the $50,000 Note appear to be safe and secure by making the following representations, among others:

a) DBI represented that it would invest Wiedis' funds in a secured asset owned by DBI;

b) DBI promised to grant Wiedis a lien and security interest in "all right title and interest" that DBI had in a security – namely a note allegedly owned by DBI and collateralized by the mortgage on a piece of real estate. With respect to the $50,000 Note there was no collateral real or purported attached to the Note. Instead, there were instructions directing Wiedis to an online portal managed by DBI that supposedly contained the security instrument;

c) DBI represented that in the event of default on the obligations of the $50,000 Note and DBI's failure to cure the default within 60 days, Wiedis could take possession of the collateral that secured the Note, arrange for transfer of the collateral into her name, endorse, foreclose on, and receive and collect all property and money in connection with the collateral;

d) DBI promised to pay all costs and expenses in connection with the enforcement the Note including reasonable attorney's fees;

e) DBI also represented that "The liabilities and obligations of [DBI] shall be unconditional without regard to the liabilities and obligations of any other

> party and shall not be in any manner affected by any indulgence whatsoever granted or consented to by Payee, including any release of any party, guarantor or collateral, or any extension of time, renewal, waiver or other modification.

24. On information and belief, DBI never actually granted Wiedis any enforceable legal interest in the mortgage notes that supposedly backed her investments.

25. On information and belief, DBI at no time, even after default, set aside sufficient assets or reserves to enable it to pay the costs and expenses associated with Wiedis' enforcement and collection of the mortgage Notes that supposedly secured Wiedis' investments.

The $8,000 Non-IRA Investment

26. On October 8, 2008, Wiedis made another investment with DBI.

27. This investment of $8,000 was made with money from Wiedis' savings, but not from her IRA (the $8,000 Note). A true and correct copy of the $8,000 Note is attached as Exhibit 4.

28. In exchange for the $8,000 investment, DBI gave Wiedis an additional "Promissory Note and Security Agreement." Under the terms of this document DBI agreed to pay Wiedis 18% per annum for a period of 24 months or $120 each and every month. DBI represented that it would make full payment of interest and principal within 45 days of the Agreement's maturity, which made the $8,000 Note due and payable on November 22, 2010. DBI falsely and fraudulently made the $8,000 Note appear to be safe and secure by making the following representations, among others:

a) DBI represented that it would invest Wiedis' funds in a secured asset owned by DBI;

b) DBI promised to grant Wiedis a lien and security interest in "all right title and interest" that DBI had in a security – namely a note allegedly owned by DBI and collateralized by the mortgage on a piece of real estate;

c) DBI represented that in the event of default on the interest obligations of the $8,000 Note and DBI's failure to cure the default within 60 days, Wiedis could take possession of the collateral that secured the Note, arrange for transfer of the collateral into her name, endorse, foreclose on and receive and collect all property and money in connection with the collateral;

d) DBI promised to pay all costs and expenses in connection with the enforcement the Notes including reasonable attorney's fees;

e) DBI also represented that "The liabilities and obligations of [DBI] shall be unconditional without regard to the liabilities and obligations of any other party and shall not be in any manner affected by any indulgence whatsoever granted or consented to by Payee, including any release of any party, guarantor or collateral, or any extension of time, renewal, waiver or other modification.

29. On information and belief, DBI never actually granted Wiedis any enforceable legal interest in the mortgage notes that supposedly backed her investments.

30. On information and belief DBI at no time, even after default, set aside sufficient assets or reserves to enable it to pay the costs and expenses associated with Wiedis' enforcement and collection of the mortgage Notes that supposedly secured Wiedis' investments.

31. DBI never satisfied its obligations under the $50,000 and $8,000 Promissory Notes and has failed to return Wiedis' funds.

32. On information and belief, Defendants DBI, Andrews, Palmer and Eiss made similar fraudulent Note agreements with other investors. These other fraudulent Note agreements served as a source of funds for the defendants to facilitate their fraudulent scheme and artifice.

DBI unilaterally changed the terms and conditions of Wiedis' investments and continued to make false and fraudulent representations and promises

33. On September 8, 2009, before the terms of the $50,000 and $8,000 Notes were reached, DBI represented to investors, including Wiedis, that DBI was "making changes to its investment security structure and how its investments are secured." This unilateral change in structure by DBI purported to change Wiedis' investments from debt owed by DBI to Wiedis to an equity investment in a fund that included certain unspecified assets that were to be owned and controlled by DBI. Consistent with its prior conduct, DBI falsely and fraudulently promised a "secure" investment vehicle offering "high-yield returns." DBI offered no information about the whereabouts of the individual mortgage loans that had previously secured Wiedis' $50,000 and $8,000 Notes.

34. In a letter signed by Defendant Andrews and DBI's then COO, Defendant Eiss, DBI sent the description of the new structure to Wiedis by email utilizing interstate wires. (The September 8, 2009 email). A true and correct copy of the September 8, 2009 email is attached as Exhibit 5.

35. In the September 8, 2009 email, DBI falsely claimed that the changes to its investment program were being made to protect investors and better secure their investments in the "unlikely event of default."

36. DBI stated that, as a result of this restructure, DBI would offer investors several options for their investments. DBI represented that the new investment terms would be "retroactive to August 1, 2009" and that the "formal offering and approval documents" would be available online for investors' review.

37. Each of the investment options offered to Wiedis in the September 8, 2009 email fraudulently included promises of dramatically increased returns over and above the $58,000 plus interest that Wiedis was due to receive under the $50,000 and $8,000 Notes. DBI, however, provided only vague and misleading information about the change in structure and notably omitted a number of material facts.

38. For example, DBI claimed:

> **"… all assets purchased and managed by DBI are owned jointly by DBI the majority owner and our partners in the fund. As a result our investors can no longer be secured directly by individual loans and instead will be secured by the entity that owns the individual loans. This change positions DBI for significant growth in an opportunity rich market. It also allows investors who helped get us to this point to continue to receive secure, high-yield returns and participate in that group." (Emphasis added).**

39. The information provided by DBI in the September 8, 2009 email falsely and fraudulently omitted material facts about the conditions of the new investment including, but not limited to:

a) Details about how Wiedis' money would actually be invested;

b) When interest payments would be made;

c) How the payment amounts would be calculated;

d) The number of other investors who would have prior interests to collecting payments before Wiedis; and

e) Specific details concerning when and how Wiedis would receive repayment of her investment principal.

40. On or about October 16, 2009, Defendant Eiss spoke with Wiedis by phone and described the alleged advantages of the new structure in an attempt to explain to Wiedis why DBI was requiring her to relinquish her secured interest in the $50,000 and $8,000 Notes in exchange for shares in a fund that included certain unspecified assets owned by DBI. Defendant Eiss fraudulently failed to describe the risks associated with this new investment structure and falsely and fraudulently led Wiedis to believe the new structure would pay higher returns than the secured Notes, yet be an even safer investment.

41. After the September 2009 restructure, DBI continued to revise and reformulate its investment structure, often without providing adequate notice to investors. Over the course of the many reformulated investment structures, DBI continuously and unilaterally changed investment terms and conditions and unilaterally elected when and when not to make small payments to Wiedis, none of which resulted in the repayment of interest or principal amounts that DBI had agreed to pay.

42. In correspondence sent between 2010 and 2012, Defendants Andrews and Eiss fraudulently highlighted Defendants' supposed successes and detailed their plans for increasing the amount and frequency of payments. As examples, they made the following representations:

> Email from Defendants Andrews and Eiss dated February 12, 2010, a true and correct copy of which is attached hereto as **Exhibit 6 ("We believe the liquidity issues will be fully resolved in the next several months as . . . new capital**

starts to flow in from DBI's new Operations Fund.") ("We are also designing a program by which our investors will be compensated for ... interest payment delays.");

Email from Defendants Andrews and Eiss to Wiedis dated April 1, 2010 a true and correct copy of which is attached hereto as **Exhibit 7 ("Under DBI's new Fund Structure, DBI makes investor payments based on its available capital. This capital is applied proportionately across the total principal and interest that is owed to all investors. Based on this methodology, you will receive a payment on Friday in the amount of $425.22. We are working on accelerating your repayment and will keep you updated on our progress. DBI has continued to maintain its strong performance into 2010. We recently closed a $70M note acquisition and continue to exceed our liquidation performance projections. Current volume is slightly behind projections but market activity increased significantly in March. We expect Q2 2010 to be our largest to date.")**

Email from Defendant Andrews to Wiedis dated August 3, 2012, a true and correct copy of which is attached hereto as **Exhibit 8. ("In the meantime, we continue to make investor payments when cash flow allows. Our goal is to make a payment in August and then resume monthly payments in September or October. As always however, all payments are subject to cash available which is subject to collections. Until such time as we have replenished our reserves, any change to collections directly impacts the timing and amount of distributions. Reserves cannot be replenished until purchase Capital is repaid which is why this is our primary focus. I continue to get questions on this so hopefully, this explains why DBI cannot predict exactly when payments continue to get questions on this so hopefully, this explains why DBI cannot predict exactly when payments will occur or the amount of those payments. Another question I receive frequently is regarding interest. All DBI investors continue to earn interest on all outstanding principal until such time as all principal is repaid. So while the timing of payments has taken longer than anticipated, your capital is still earning a high yield return.")(Emphasis added).**

43. DBI also sent fraudulent account statements to investors that showed interest accruing in their accounts even though no such interest was actually deposited into investors' accounts. A true and correct copy of one of the fraudulent account statements that DBI emailed to Wiedis is attached as Exhibit 9.

44. DBI never satisfied its obligations under the terms described in the September 8, 2009 email and has failed to return Wiedis' funds.

From 2013 to 2015 DBI continued to make false and fraudulent promises and representations about the performance of its investment funds

45. In 2013, DBI knowingly and willfully made further false and fraudulent representations and promises in order to mislead investors about the performance of its investment funds.

46. One such was announcement made in September 2013 when Defendant Andrews used interstate commerce to send an email to investors including Wiedis that falsely and fraudulently represented:

> **"…the Company [DBI] is growing rapidly under our new capital structure and in partnership with our new investor. Since our last update, DBI successfully refinanced $106.4M UPB of its existing portfolio and has invested $13.8M to acquire 7743 loans ($428M). We'll complete another $365M acquisition this week. We are on pace to do more in revenue and new acquisitions in the last half of 2013 than in any full year previously. For investors, this means monthly investor distributions will continue to increase in amount." (Emphasis added).**

A true and correct copy of the September 2013 email is attached as Exhibit 10.

47. Despite these upbeat assessments, which were designed to give investors hope they would eventually receive long overdue return of their investment capital, DBI continuously failed to meet its obligations to Wiedis.

Wiedis demanded repayment of her investment principal and interest and Defendant Andrews made additional false and fraudulent promises and representations

48. Beginning as early as October 2013, Wiedis demanded the full return of the principal and interest due from DBI. A true and correct copy of her October 2013 demand for repayment is attached as Exhibit 11.

49. Again on April 1, 2014, Wiedis emailed Defendant Andrews and demanded full repayment of the monies due, which she believed at the time to be $85,000. Defendant Andrews again used interstate commerce to send an email to Wiedis wherein he falsely represented that while DBI had the money to repay Wiedis, DBI could not do so because he could not repay her before repaying other investors. Defendant Andrews further falsely represented that he expected to have Wiedis repaid by the end of the year 2014. A true and correct copy Wiedis' April 1, 2014 demand for repayment is attached as Exhibit 12.

50. In that very same email exchange when Wiedis demanded that Defendant Andrews and DBI increase the amount of the payments to her to make up for those that were past due, Andrews responded "payments are made in proportion to the amount due."

51. In this communication Defendant Andrews claimed that payments to Wiedis were to be made proportional to payments that DBI owed to other investors, yet he failed to provide any accurate information about how many other investors were involved or about DBI's actual revenue, if any. Despite the omission of these material facts concerning Wiedis' investments Defendant Andrews represented that "interest would continue to accrue in the meantime," while Wiedis awaited full repayment of the monies owned to her.

52. Andrews and DBI again failed to make payments of principal and interest to Wiedis by the end of 2014.

53. Between May 2009 and January 2015, DBI made a few minimal and sporadic interest payments to Wiedis totaling approximately $33,800. These payments, made via checks sent through the U.S. Mail, were less than half of the more than $75,000 in interest that was due according to the terms of the Notes.

54. On information and belief these payments were lulling payments intended to induce Wiedis into a false sense of security about the status of her investments and deter her from taking legal action against DBI and the other defendants.

55. Between the due dates of Wiedis' investments (November 2010 for the $8,000 Note and June 2011 for the $50,000 Note) and the present, DBI has not returned one penny of Wiedis' $58,000 investment principal, despite repeated demands for payment and numerous false and fraudulent representations by Defendants DBI, Andrews and Palmer that they intended to and would return Wiedis' money.

Wiedis retained an attorney and again demanded that DBI fulfil its obligations

56. In December 2015, Wiedis though counsel, sent a demand letter to DBI and Andrews again demanding repayment in full of her investment principal and accrued interest which constituted most of Wiedis' retirement savings. Defendants Andrews and Palmer claimed that they wanted to settle the matter without litigation, but failed to repay Wiedis' investments or make good on the other terms of Wiedis' Notes.

57. Unbeknownst to Wiedis, in December 15, 2015, other individual investors who made investments similar to Wiedis' investments, sued Defendants DBI, Andrews, Palmer and Eiss in Federal Court in the Southern District of New York alleging breach of contract, fraud and securities fraud. On information and belief once was sued, Defendants DBI, Andrews, Palmer

and Eiss repaid other individual investors in full lump sum payments by June of 2016 pursuant to confidential settlement agreements.

58. On June 3, 2016, DBI sent another update to investors via email through interstate commerce (the June 2016 Investor Update). A true and correct copy of the June 2016 Investor Update is attached as Exhibit 13.

> **This structured buyout now allows DBI to predict its cash flow and develop a budget for the remainder of 2016. We are currently working on generating funds that will allow us to begin making investor payments to you in June or July at the latest. Going forward, we expect to make monthly payments but that will be based on the revenue the company generates and the free cash flow available. As you know, DBI generates our revenue through the monetization of illiquid assets and therefore, can never fully predict our monthly revenue. It is certain that the timing and amount of your investor payments WILL fluctuate in the future. However, it is also certain that, based on the remaining value of the portfolio, DBI now has the means to fully repay its investors and continues to be committed to doing so. With the litigation behind us, our number one priority is to have all investors fully repaid as quickly as possible.**

59. The June 2016 Investor Update contained further false and misleading information in that it failed to disclose material information including, but not limited to, the amount of assets actually available to DBI to repay investors, the number of investors in the fund or the amount of liabilities that DBI held on its books and records. Further, while the June 2016 Investor Update claimed that the structured buyout allowed DBI "to predict its cash flow and develop a budget for 2016," no cash flow or budget was ever disclosed to investors.

60. In July 2016, Defendant Palmer contacted Wiedis and claimed that DBI had settled a lawsuit that had been preventing DBI from making investor payments.

61. On August 25, 2016, again sending email via interstate commerce Defendant Palmer acknowledged that DBI owed Wiedis at least **$91,893**, but offered only to make small

payments to Wiedis over an extended period of time in exchange for an agreement that she accept considerably less than the full amount that DBI owed. Defendant Palmer also falsely and fraudulently claimed that DBI was not able to immediately satisfy its full obligations to Wiedis but failed to disclose that DBI had previously made lump sum payments to other investors who had made similar investments to Wiedis, but who had sued Defendants DBI, Andrews, Palmer and Eiss in Federal Court.

62. On or about November 2, 2016, Defendant Andrews wrote to Wiedis and promised to prepare and send a written settlement agreement and to repay some of her investments but over an extended time period. Despite the contractual representation that DBI would pay all costs and expenses in connection with Wiedis' enforcement of the Notes, including reasonable attorney's fees, Defendant Andrews refused to pay the full amount of Wiedis' costs and expenses or reasonable attorney's fees. Defendants Andrews and Palmer promised to send a draft of the written settlement agreement no later than November 7, 2016. As Defendants Andrews and Palmer had done with numerous earlier promises to Wiedis, however, they failed to send the written settlement agreement, return any of Wiedis' investment principal, pay promised interest on the Notes or pay the costs and expenses associated with Wiedis' enforcement of the Notes.

63. On information and belief, Defendants' investment programs were also fraudulent in that Defendants 1) failed to keep true, complete and accurate books and records detailing the company's assets and liabilities; 2) failed to maintain true, complete and accurate records of amounts owed to investors and investor account statements; 3) never obtained or provided audited financial statements to investors because such audited financial statements would have demonstrated the fraudulent nature of DBI's investment scheme; and 4) never disclosed fees that

were being deducted from investor funds to be used for the personal benefit and compensation of Defendants Andrews, Palmer and Eiss.

64. On information and belief, DBI's investment programs were in reality a Ponzi scheme where investors' funds were fraudulently 1) not fully and completely used to purchase assets that would generate profits for investors; 2) diverted to make lulling payments to investors to give the impression that assets owned by DBI were generating positive returns; and 3) diverted for the personal benefit of Defendants Andrews, Palmer and Eiss.

FIRST CLAIM FOR RELEIF
Breach of Contract
Promissory Notes

65. Wiedis incorporates the allegations contained in paragraphs 1 to 64 of the Complaint as though fully set forth herein.

66. As reflected in the promissory notes attached to the Complaint, DBI entered into binding written contracts supported by ample consideration.

67. Wiedis fulfilled her obligations under the promissory notes by providing the principal sums of money reflected in each of those promissory notes as agreed.

68. DBI materially breached the terms and conditions of each of the promissory notes and other instruments by failing and refusing to make required interest payments as they became due and by failing to repay the principal balance upon maturity as required by the express terms and conditions of these promissory notes and other equity investments.

69. Although Wiedis had no obligation to notify DBI of her intent to exercise her rights under the promissory notes, she nonetheless made demands upon DBI notifying it of its breach and default. DBI through at least the date of this Complaint has failed and refused to cure the breaches and default.

70. DBI materially breached the terms and conditions of the governing promissory notes and instruments by failing to pay the amounts of accrued but unpaid interest and return the principal sums due under those promissory notes.

71. Under the terms of the promissory notes, DBI is liable for all costs and expenses associated with enforcement of the Notes including reasonable attorneys' fees incurred by Wiedis. Wiedis was required to retain an attorney to attempt to collect from DBI and to

eventually initiate this litigation to enforce performance under the Notes. Through the date of the filing of this action, Defendants owe Plaintiff at least $102,180 in principal and unpaid interest and at least $25,000 in costs and expenses incurred in connection with Defendants' failure to perform on their obligations for a total of at least $127,180.

WHEREFORE, Wiedis demands judgment against Defendants DBI, Andrews, Palmer and Eiss in an amount of not less than $127,180 to be fully and fairly determined at trial together with all contractual accrued interest, fees and expenses as of the time of judgment, as well as pre and post-judgment interest, attorneys' fees and expenses pursuant to the terms of the promissory notes, and for such other and further relief as this Court deems just and appropriate.

SECOND CLAIM FOR RELEIF
Fraud

72. Wiedis incorporates the allegations contained in paragraphs 1 to 64 of the Complaint as though fully set forth herein.

73. As alleged throughout the instant Complaint, Defendants individually and collectively 1) made numerous and ongoing misrepresentations of material fact to Wiedis and other investors; 2) made numerous and ongoing omissions of material fact where Defendants had the obligation to disclose such material facts to Wiedis and other investors; and 3) engaged in an ongoing scheme and conspiracy to defraud Wiedis and other investors.

74. Defendants knew or should have known that the material representations and omissions made were false and misleading or they acted with reckless disregard for their accuracy.

75. Defendants knew that Wiedis and other investors would reasonably and justifiably rely on their misrepresentations and omissions, and Wiedis and other investors did reasonably and justifiably rely on their misrepresentations and omissions by providing Defendants with tens of thousands of dollars in investments and by refraining from taking legal action against Defendants.

76. To the extent that any of the foregoing misrepresentations were promissory in nature, Defendants made these promises with no then-present intention to perform them and with actual knowledge of their falsity when made or a then-present reckless disregard for their truth when made.

77. Defendants engaged in gross, wanton, or willful fraud or other morally culpable conduct as alleged throughout the instant Complaint that entitles Wiedis to recovery of punitive damages.

WHEREFORE, Wiedis demands judgment against Defendants DBI, Andrews, Palmer and Eiss in an amount of not less than $127,180 to be fully and fairly determined at trial together with all contractual accrued interest, fees and expenses as of the time of judgment, as well as pre and post-judgment interest, attorneys' fees and expenses pursuant to the terms of the promissory notes, and for such other and further relief as this Court deems just and appropriate.

THIRD CLAIM FOR RELIEF
Securities Fraud
Violations of Section 17(a) of the Securities Act

78. Wiedis re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 64 of this Complaint.

79. From at least January 2006 to the present, Defendants DBI, Andrews, Palmer and Eiss directly or indirectly, singly or in concert, by use of the means or instruments of transportation or communication in interstate commerce, or of the mails, in the offer or sale of securities, have: (a) employed devices, schemes and artifices to defraud; (b) obtained money or property by means of untrue statements of material fact, or have omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices and courses of business which operated or would have operated as a fraud or deceit upon purchasers of securities.

80. By reason of the foregoing, Defendants DBI, Andrews, Palmer and Eiss have violated, and, unless enjoined, are reasonably likely to continue to violate, Section 17(a) of the Securities Act (15 U.S.C. § 77q(a)].

WHEREFORE, Wiedis demands judgment against Defendants DBI, Andrews, Palmer and Eiss in an amount exceeding $127,180 to be fully and fairly determined at trial together with interest, fees and expenses as of the time of judgment, and for such other and further relief as this Court deems just and appropriate.

FOURTH CLAIM FOR RELIEF
Securities Fraud
Violation of Section l0(b) of the Exchange Act and Rule l0b-5

81. Wiedis re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 64 of this Complaint.

82. Under the Securities Exchange Act of 1934, as made effective by 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.l0 b-5, it is unlawful to use or employ any deceptive device in connection with the purchase or sale of any security. This includes making any untrue statement of material fact or omitting any material fact.

83. Defendants engaged and engage regularly in the purchase or sale of securities, including the purported sale of mortgage backed debt securities and equity securities comprised of shares in funds that sought to profit from the buying and selling of mortgages and notes.

84. From at least January 2006 to the present, Defendants DBI, Andrews, Palmer and Eiss directly or indirectly, singly or in concert, by use of the means or instrumentalities of interstate commerce, or of the mails, or of the facilities of a national securities exchange, in connection with the purchase or sale of securities, have: (a) employed devices, schemes and artifices to defraud; (b) made untrue statements of material fact, or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices and courses of business which operated or would have operated as a fraud or deceit upon investors, including Wiedis.

85. Defendants employed multiple devices, schemes and artifices to defraud investors, including Wiedis, of their funds, including but not limited to, the sale of fraudulent debt securities and notes and the sale of shares in various equity funds wherein Defendants

falsely promised to pay investors exorbitant rates of return and represented to investors that the funds and entities they invested in were sufficiently capitalized and possessed sufficient assets enabling DBI to fully repay investors on those investments.

86. Defendants' scheme and artifice included making and employing materially false and fraudulent representations, pretenses and promises as well as omissions of material fact necessary to make other statements made, in the light of the circumstances under which they were made, not misleading. The materially false and fraudulent representations, pretenses and promises and omissions of material fact included, but were not limited to, (i) that DBI would pay Wiedis high yield returns of 18% interest on investment principal; (ii) Wiedis' investments were secured by mortgage notes owned by DBI; (iii) that Wiedis could take possession of and liquidate the mortgage instruments backing her investments in the event that DBI defaulted on its obligation to pay interest and return Wiedis' investment principal; (iv) that DBI would pay Wiedis' costs and expenses in connection with the enforcement the Notes including reasonable attorney's fees; (v) failure to disclose that DBI's ability to repay the Notes and interest thereon was contingent upon its ability to repay an undisclosed number of other investors; (vi) failure to disclose at the time Wiedis made her Note investments in 2008 and 2009 that "all assets purchased and managed by DBI are owned jointly by DBI the majority owner and our partners in the fund. As a result our investors can no longer be secured directly by individual loans and instead will be secured by the entity that owns the individual loans;" (vii) Andrews' statement in September 2013 that "[w]e are on pace to do more in revenue and new acquisitions in the last half of 2013 than in any full year previously. For investors, this means monthly investor distributions will continue to increase in amount;" and (viii) Andrews' statement in June 2016 after concluding an alleged structured buyout that "… it is also certain that, based on the

remaining value of the portfolio, DBI now has the means to fully repay its investors.

87. Defendants knew or should have known that these misrepresentations and omissions were false and misleading at the times they were made, and that they would induce Wiedis' continued investment in Defendants' scheme.

88. Defendants acted intentionally and knowingly or with reckless disregard for the falsity of the misrepresentations and omissions made to Wiedis and other investors.

89. In direct and justifiable reliance upon these misrepresentations and omissions of material fact, Wiedis provided Defendants with substantial funds and permitted Defendants to retain her funds, all of which caused her substantial economic loss and the possible relinquishment of valuable rights based on Defendants' scheme.

90. Wiedis has not recovered a single dollar of her investment of $58,000 nor has she received the amount of interest or returns to which she is entitled under either the promissory notes. As a direct and proximate result of their multiple and ongoing fraudulent misrepresentations and scheme, Defendants caused Wiedis to suffer substantial damages in an amount no less than $127,180. By reason of the foregoing, Defendants DBI, Andrews, Palmer and Eiss have violated, and, unless enjoined, are reasonably likely to continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule l0b-5 [17 C.F.R. § 240.l0b-5].

WHEREFORE, Wiedis demands judgment against Defendants DBI, Andrews, Palmer and Eiss in an amount exceeding $127,180 to be fully and fairly determined at trial together with interest, fees and expenses as of the time of judgment, and for such other and further relief as this Court deems just and appropriate.

Prayer for Relief

WHEREFORE, Plaintiff respectfully requests that the Court:

Award compensatory damages to Wiedis to be proven at trial for breach of contract of at least $127,180;

Award compensatory damages to Wiedis to be proven at trial for violations of the Securities Exchange Act of 1934, § l0(b), 15 U.S.C. § 78j(b), and 17 C.F.R. §240.l0b-5;

Award compensatory and punitive damages to be proven at trial for Defendants' gross, wanton and willful fraud and other morally culpable conduct;

Award costs of suit and pre- and post-judgment interest;

Award Wiedis reasonable attorneys' fees and expenses associated with her efforts to collect on her investments and with the instant litigation; and

Award such other and further relief as the Court may deem just and proper.

Dated: December 1, 2016

Diaz Reus & Targ, LLP

By:

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Jury Demand

Pursuant to Federal Rule of Civil Procedure 38, Plaintiff hereby demands a trial by jury as to all issues so triable.

Dated: December 1, 2016

Diaz Reus & Targ, LLP

By:

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